

VZCZCXRO2613
PP RUEHAG RUEHBC RUEHDE RUEHKUK RUEHROV
DE RUEHLB #1824/01 3251513
ZNY CCCCC ZZH
P 211513Z NOV 07
FM AMEMBASSY BEIRUT
TO RUEHC/SECSTATE WASHDC PRIORITY 0263
INFO RUEHEE/ARAB LEAGUE COLLECTIVE
RUCNMEM/EU MEMBER STATES COLLECTIVE
RUEHNO/USMISSION USNATO 1904
RHMFISS/CDR USCENCOM MACDILL AFB FL
RHEHNSC/NSC WASHDC

C O N F I D E N T I A L SECTION 01 OF 02 BEIRUT 001824

SIPDIS

SIPDIS

NSC FOR ABRAMS/SINGH/GAVITO/YERGER

E.O. 12958: DECL: 05/07/2017

TAGS: [PGOV](#) [PREL](#) [LE](#)

SUBJECT: LEBANON: SHIA LAWYER ON ELECTION; SHIA ECONOMIC
DEVELOPMENT

Classified By: DCM William Grant for reasons 1.4 (b) and (d).

SUMMARY

1. (C) Prominent Shia lawyer Mohamed Matar believes Lebanon's real problem is not election of a president, but rather formation of a viable, effective government. Matar does not think the majority and opposition will resolve the deadlock by the November 23 deadline, a situation Syria would welcome, but that ultimately March 14 will go ahead and elect its preferred candidate by a simple majority. Matar predicted disturbances following the passing of the deadline, beginning with President Emile Lahoud refusing to leave his post. However, according to Matar, the Shia do not want a confrontation; even Hizballah realizes the situation needs to be defused.

2. (C) Matar spoke at length on a subject obviously dear to him: lifting the Shia underclass out of poverty and providing them with economic opportunities. To this end, Matar and other Shia notables have initiated a microcredit lending scheme modeled on Grameen Bank. Although it is still in the planning stage, Matar envisages a microcredit program that eventually will benefit not only Shia, but all Lebanese. According to Matar, this is the only way to successfully draw the Shia away from Hizballah assistance and handouts. Although admitting this will be no easy task, Matar pointed out that increasing numbers of Shia resent Hizballah's overbearing presence, as well as the fact many Hizballah members have claimed higher status than traditional Shia leaders. End summary.

MARCH 14 WILL PREVAIL, DESPITE PAST MISTAKES

3. (C) In a November 19 meeting, Matar, who is majority leader Saad Hariri's legal advisor, as well as head of the Lebanese national chapter of Transparency International, told Poloff and FSN Political Advisor that the Syrians do not want a president since none of the names on Maronite Patriarch Sfeir's list--not even those considered consensus candidates--could render them services equal to those of President Emile Lahoud. Matar implied that March 14 has itself to thank for this mess; it should not have cut deals with Hizballah and Berri in 2005 and not allowed Berri to continue his tenure as speaker of parliament, but rather allied itself with Free Patriotic Movement (FPM) leader Michel Aoun and fostered relations with independent Shia.

4. (C) As for the current deadlock over agreement on a consensus candidate, Matar said sources told him Aoun has

vetoed MP Robert Ghanem because Ghanem had previously blocked Aoun's appointment to the parliamentary justice committee, which Ghanem heads. It would suit the Syrians well if the impasse continues, since they would like to see a gap of at least two years during which an interim president to their liking may be (or may not be) installed. In any case, the Syrians would welcome the political vacuum so dreaded by most Lebanese.

15. (C) Matar, confident that March 14 will ultimately go ahead and elect a candidate by a simple majority, argued that Article 74 of the Lebanese constitution does not require a two-thirds parliamentary quorum to elect a president. Matar does believe opposition-instigated trouble is brewing, noting he has been told that numerous busloads of what appear to be ordinary travelers on the roads leading south actually are bands of young men plying the roads back and forth, with no apparent destination.

HIZBALLAH NOT AS INVINCIBLE AS MIGHT SEEM

16. (C) According to Matar, Shia will back Hizballah as long as the standoff exists, but they are increasingly apprehensive, knowing full well they cannot bear the brunt of another war, and that no one would accept them if they are driven from their homes once again. Hizballah itself does not want another war, having learned the limits of its power in July 2006. Its harping on Israeli and U.S. intent to eliminate the Shia does not resonate as it once did, as more and more Shia are pointing out how the U.S. helped Shia in Iraq. Furthermore, genuine support for Hizballah is overestimated because of its outstanding organization and discipline. Matar noted that in the south resentment is

BEIRUT 00001824 002 OF 002

growing against Hizballah officials who suddenly have supplanted traditional Shia leaders, such as the Osseiran family. Alluding to the fact that these newly prominent officials have taken their cut from Hizballah assistance funds, Matar referred to them as Hizballah "nouveau riches."

MICROCREDIT: THE ROUTE TO ECONOMIC PROSPERITY

17. (C) Matar's social conscience was highlighted as he described how he and a group of 200 other Shia professionals and businessman have commissioned Booz, Allen, Hamilton and Price Waterhouse to draft a plan for a microcredit program modeled on Mohamed Younus' phenomenally successful Grameen Bank in Bangladesh. The program is conceived to not only benefit Shia in the south, north and the Biqa', but all Lebanese, regardless of religious affiliation.

18. (C) Matar envisages villages consulting with program administrators to define what kind of project(s) they need. The program experts and administrators would then study each proposal and grant appropriate financing. A village would commit itself to begin paying back the loan once it begins to make a profit on the initial investment. Matar hopes to begin pilot implementation of the program as soon as a semblance of tranquility and security is achieved. Matar stressed that the plan needed support from all quarters: Lebanese, Arab, and international. He sees no problem with soliciting Saudi or USG help as long as the process is totally transparent.

FELTMAN